

Division of Securities
Utah Department of Commerce
160 East 300 South
Box 146760
Salt Lake City, Utah 84145-6760
Telephone: (801) 530-6600

**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

**IN THE MATTER OF THE
LICENSES OF:**

**CHARLES PRINCIPATO, CRD #1757488;
SCOTT A. BRANDER, CRD #2300933;
EUGENE V. SIMONETTI JR., CRD #2613497;
CARLTON P. FLETCHER, CRD #2455798; and
SHAWN J. SMITH, CRD #2676952**

Respondents.

**PETITION FOR ORDERS
BARRING LICENSES**

**Docket No. SD-00-0071
Docket No. SD-00-0072
Docket No. SD-00-0073
Docket No. SD-00-0074
Docket No. SD-00-0075**

Pursuant to the authority of Utah Code Ann. § 61-1-6, the Utah Division of Securities, (“Division”), hereby petitions the Director of the Division, (“Director”) to enter an Order, subject to the approval of a majority of the Securities Advisory Board, barring Charles Principato, Scott A. Brander, Eugene V. Simonetti Jr., Carlton P. Fletcher, and Shawn J. Smith (collectively “Respondents”) from employment with a licensed broker-dealer. A hearing, as described in the attached Notice of Agency Action, has been set in this matter. Respondents have a right to appear and defend themselves at the hearing. In support of this petition, the Division alleges:

STATEMENT OF FACTS

1. Charles J. Principato, Jr., ("Principato")(CRD #1757488) is an individual who, from April 1996 to July 1999, was a licensed agent of R.D. White & Co. ("R.D. White"), a New York brokerage operation. The Division is informed and believes that Principato lives in or near Danbury, CT.
2. Scott A. Brander ("Brander")(CRD #2900933) is an individual who, from August 1996 to November 1999, was a licensed agent of R.D. White. The Division is informed and believes that Brander lives in or near West Orange, NJ. Brander is currently licensed with M.S. Farrell & Company, (CRD #24232).
3. Eugene V. Simonetti Jr. ("Simonetti")(CRD #2613497) is an individual who, from January 1997 to July 1997, was a licensed agent of R.D. White. The Division is informed and believed that Simonetti lives in or near Brooklyn, NY.
4. Carlton P. Fletcher ("Fletcher")(CRD #2455798) is an individual who, from April 1996 to May 2000, was a licensed agent of R.D. White. The Division is informed and believes that Fletcher lives in or near Queens, NY. Fletcher is currently licensed with The Regency Group (CRD #45216).
5. Shawn Smith ("Smith")(CRD #2676952) is an individual who, from May 1997 to December 1997, was a licensed agent of R.D. White. The Division is informed and believes that Smith lives in or near Edison, NJ.

6. On April 19, 1999, the NASD filed a complaint against R.D. White alleging numerous violations of the NASD conduct rules.
7. On July 10, 2000, the National Association of Securities Dealers (NASD) and R.D. White entered into a settlement agreement wherein the R.D. White was expelled from NASD Membership, fined \$100,000 and ordered to pay restitution in the amount of \$400,000.
8. On January 31, 2000, the Utah Division of Securities filed a civil lawsuit in Utah District Court against RD White & Co., a New York Broker-Dealer, and 20 of RD White's brokers. The lawsuit alleges numerous violations of Utah's securities laws in relation to Utah clients of RD White.
9. On July 10, 2000, the Utah Third District Court entered a default judgement against Respondents. Each Respondent was found to have violated the Act and was permanently enjoined from engaging in acts, practices or omissions that would further violate the Act. Respondents were specifically enjoined from making cold calls within or to residents within Utah; soliciting or opening accounts within or with residents of Utah; and exercising discretionary authority over the accounts of Utah residents.
10. Each Respondent was ordered to pay a fine and restitution. The total of restitution and fines ordered is \$451,616.50.

GROUND FOR RELIEF

11. Jurisdiction is vested in the Director, pursuant to § 61-1-18 of the Act.

12. Section 61-1-6(1) of the Act provides that the Director, upon approval by the Securities Advisory Board, and in accordance with Title 63, Chapter 46b, Administrative Procedures Act, may issue an order barring any licensee from employment with a licensed broker-dealer if the person “is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities business.”
13. For the protection of Utah investors, it is in the public interest that the Director, pursuant to §61-1-6 of the Act, bar Respondent from employment with a licensed broker-dealer.

REQUEST FOR RELIEF

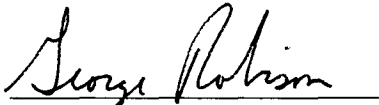
Wherefore, the Division respectfully requests that the Director enter an Order, subject to the approval of the Securities Advisory Board, and pursuant to Utah Code Ann. § 61-1-6 providing:


1. That Respondents be barred from employment with a licensed broker-dealer.

DATED this 9 day of August, 2000.

Utah Division of Securities

Approved as to form:


George Robison
Chief of Licensing and Compliance


Don Hansen
Assistant Attorney General

Division of Securities
Utah Department of Commerce
160 East 300 South
P.O. Box 146760
Salt Lake City, Utah 84114-6760
Telephone: 801 530-6600
Facsimile: 801 530-6980

**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF

**Charles Principato,
Scott A. Brander,
Eugene V. Simonetti Jr.,
Carlton P. Fletcher,
Shawn J. Smith**

Respondent.

NOTICE OF AGENCY ACTION

**SD-00-0071
SD-00-0072
SD-00-0073
SD-00-0074
SD-00-0075**
Docket no.

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENT:

The purpose of this Notice of Agency Action is to inform you that the Division hereby commences an formal adjudicative proceeding against you as of the date of mailing of the Petition for Orders Barring Licenses. The authority and procedure by which this proceeding is commenced are provided by Utah Code Ann. § 63-46b-3 and Utah Code Ann. § 63-46B-6 through 11. The facts on which this action is based are set forth in the foregoing Petition for Orders Barring Licenses.

Within thirty (30) days of the date of this notice, you are required to file a written response with the Division. The response you file may be helpful in clarifying, refining or narrowing the facts and violations alleged in the Petition for Orders Barring Licenses.

You must attend a hearing that will occur at **160 East 300 South, 2nd Floor, Room #205, Salt Lake City, Utah; at 1:00 p.m.; on September 15, 2000.**

If you fail to file a written response, as set forth herein, or fail to appear at the hearing, you will be held in default and an Order Barring Licenses will be entered and a fine may be

imposed against you in accordance with Utah Code Ann. §63-46b-11.

The presiding officer in this case is S. Anthony Taggart, Director, Division of Securities, 160 East 300 South, Box 146760, Salt Lake City, Utah 84114-6760, telephone (801) 530-6600. The hearing, will be conducted by J. Steven Eklund, Administrative Law Judge, Utah Department of Commerce, 160 East 300 South, Box 146701, Salt Lake City, Utah 84114-6701, telephone (801) 530-6648. At such hearing, the Division will be represented by the Utah Attorney General's Office, Box 140872, 160 East 300 South, Salt Lake City, Utah, 84114, telephone (801) 366-0310. At the hearing, you may appear and be heard and present evidence on your behalf.

You may attempt to negotiate a settlement of the matter without proceeding to the hearing. Should you so desire, please contact the Utah Attorney General's Office. Questions regarding the Petition and Notice of Agency Action may be directed to Don Hansen, Assistant Attorney General, 160 East 300 South, Box 140872, Salt Lake City, Utah 84114-0872, telephone (801) 366-0310.

DATED this 9th day of August, 2000.



S. Anthony Taggart
Director, Division of Securities
Utah Department of Commerce

CERTIFICATE OF SERVICE

I certify that on the 11 day of August, 2000. I mailed, by certified mail, a true and correct copy of the Petition for Orders Barring Licenses, and Notice of Agency Action to the following Respondents:

Charles Principato
20 Indian Ave
Danbury Ct 06811

Certified Mail #: Z228 159 630

Scott A. Brander
6 Waldeck Court
W Orange Nj 07053

Certified Mail # : Z228 159 631

Eugene V. Simonetti Jr.
2836 Ford Street
Brooklyn Ny 11235

Certified Mail # : Z228 159 632

Carlton P. Fletcher
117-15 193rd St
Queens Ny 11912

Certified Mail # : Z228 159 633

Shawn J. Smith
6 Crescent Rd.
Edison NJ 08817

Certified Mail # : Z228 159 634


Executive Secretary